



**CONTRACT SP0200-01-D-1501**

**PHARMACEUTICAL RETURNS MANAGEMENT PROGRAM**

**JOINT CONTRACT  
DEPARTMENT OF DEFENSE  
DEPARTMENT OF VETERANS AFFAIRS**



**SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS**  
**OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30**

1. REQUISITION NUMBER: **N/A** PAGE 1 OF **15**  
 2. CONTRACT NO. **SP0200-01-D-1501** 3. AWARD/EFFECTIVE DATE: **30 JAN 01** 4. ORDER NUMBER: **N/A** 5. SOLICITATION NUMBER: **SP0200-00-R-1501** 6. SOLICITATION ISSUE DATE: **N/A**

7. FOR SOLICITATION INFORMATION CALL: **LINDA MAGAZU** b. TELEPHONE NUMBER (No collect calls): **(215) 737-3207** 8. OFFER DUE DATE/LOCAL TIME: **N/A**

9. ISSUED BY CODE: **SP0200**  
**DEFENSE LOGISTICS AGENCY**  
**DEFENSE SUPPLY CENTER PHILADELPHIA**  
**700 ROBBINS AVE.**  
**PHILADELPHIA, PA 19111-5092**

10. THIS ACQUISITION IS  
 UNRESTRICTED  
 SET ASIDE: %FOR  
 SMALL BUSINESS  
 SMALL DISADV. BUSINESS  
 8(A)  
 SIC: **2834**  
 SIZE STANDARD: **750**

11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED  
 SEE SCHEDULE  
 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)

13b. RATING: **N/A**

14. THIS ACQUISITION IS  
 RFQ  IFB  RFP

12. DISCOUNT TERMS: **N/A**

15. DELIVER TO CODE: **SP0200**  
**Expired pharmaceutical returns to be processed through the Contractor in accordance with the Statement of Work.**

16. ADMINISTERED BY CODE: **SP0200**  
**DEFENSE SUPPLY CENTER PHILADELPHIA**  
**700 ROBBINS AVE.**  
**PHILADELPHIA, PA 19111-5092**

17a. CONTRACTOR/OFFEROR CODE: **0XH12** FACILITY CODE: **SP0200**  
**GUARANTEED RETURNS**  
**140 BELLE MEAD ROAD**  
**SETAUKET, NY 11733**  
 TELEPHONE NO. (800) 473-2138

18a. PAYMENT WILL BE MADE BY CODE: **SP0200**  
**DEFENSE FINANCE & ACCOUNTING SERVICE**  
**ATTN: DFAS-CO-LSCBA**  
**P.O. BOX 182317**  
**COLUMBUS, OH 43218-6248**

17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER  
 18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a. UNLESS BLOCK BELOW IS CHECKED  SEE ADDENDUM

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	<b>"Pharmaceutical Returns Management Program"</b>				
	See attached Schedule of Supplies/Services				
(Attach Additional Sheets as Necessary)					

25. ACCOUNTING AND APPROPRIATION DATA: **97X4930.5CMO 01 25.0 S33150 (Applies for Depot returns only)**

26. TOTAL AWARD AMOUNT (For Govt. Use Only): **Minimum \$300,000.00 ERV**

27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA  ARE  ARE NOT ATTACHED.  
 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA  ARE  ARE NOT ATTACHED.

28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.

29. AWARD OF CONTRACT: REFERENCE **GRX** OFFER DATED **6/21/00** \*see page 2 of your offer on solicitation (Block 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITS TERMS: **0001-0005AB**

30a. SIGNATURE OF OFFEROR/CONTRACTOR  
 31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)

30b. NAME AND TITLE OF SIGNER (TYPE OR PRINT): **Ryan Kasper National Accounts Manager**  
 30c. DATE SIGNED: **6-21-00**  
 31b. NAME OF CONTRACTING OFFICER (TYPE OR PRINT): **LINDA G. MAGAZU**  
 31c. DATE SIGNED: **30 JAN 01**

32a. QUANTITY IN COLUMN 21 HAS BEEN  
 RECEIVED  INSPECTED  ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED

33. SHIP NUMBER:  PARTIAL  FINAL  
 34. VOUCHER NUMBER  
 35. AMOUNT VERIFIED CORRECT FOR

32b. SIGNATURE OF AUTHORIZED GOVT. REPRESENTATIVE  
 32c. DATE SIGNED  
 36. PAYMENT:  COMPLETE  PARTIAL  FINAL  
 37. CHECK NUMBER

38. S/R ACCOUNT NUMBER  
 39. S/R VOUCHER NUMBER  
 40. PAID BY

41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT  
 41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER  
 41c. DATE SIGNED  
 42a. RECEIVED BY (Print)  
 42b. RECEIVED AT (Location)  
 42c. DATE REC'D (YY/MM/DD)

**ADDENDUM TO STANDARD FORM 1449**

**1. Continuation of Block 17a:**

Offeror's assigned DUNS Number: 60-279-6864

**2. Continuation of Block 18a:**

This payment address only applies when services are provided to the Defense Depots.

**3. Continuation of Block 29:**

Reference amendments 0001 & 0002, and your e-mail/letters dated 7/06/00, 8/18/00, 9/29/00, 11/3/00, 12/8/00, 12/20/00, 1/08/01, and 1/25/01.

**4. Contract Performance Period:**

January 30, 2001 through April 30 2002

**5. Guaranteed minimum/maximum**

Minimum \$300,000.00 (estimated return value [ERV]) Maximum \$200,000,000.00 [ERV] for contract performance period.

**---- Schedule of Supplies/Services-----**

**Initial 15 Month Performance Period**

ITEM NO	DESCRIPTION	QTY	UNIT	UNIT PRICE	AMOUNT
0001	<b>Off-Site Processing of Returnable Pharmaceuticals - Controlled Substances</b>	1	JOB	<u>7.2 %ERV</u>	
0002	<b>Off-Site Processing of Returnable Pharmaceuticals - Non-Controlled Substances</b>	1	JOB	<u>6.9 %ERV</u>	
0003	<b>On-Site Servicing of Returnable Pharmaceuticals - Controlled Substances</b>				
0003AA	CONUS	1	JOB	<u>1.5 %ERV</u>	
0003AB	(U.S.) OCONUS (Alaska, Hawaii, Puerto Rico, Guam, Philippines)	1	JOB	<u>2.5 %ERV</u>	
0004	<b>On-Site Servicing of Returnable Pharmaceuticals - Non-Controlled Substances</b>				
0004AA	CONUS	1	JOB	<u>1.5 %ERV</u>	
0004AB	(U.S.) OCONUS (Alaska, Hawaii, Puerto Rico, Guam, & Philippines)	1	JOB	<u>2.5 %ERV</u>	
0004AC	(Foreign) OCONUS	1	JOB	<u>3.5 %ERV</u>	
0005	<b>Disposal of Non-Returnable Pharmaceuticals</b>				
0005AA	Hazardous Waste	1	LB	<u>\$2.49</u>	
0005AB	Non-Hazardous Waste	1	LB	<u>\$ .30</u>	

**ADDENDUM TO 52.212-4**

**1. Paragraphs (a), (b), (h), (j), (k), (n),(o), and (p) of 52.212-4 do not apply to this solicitation.**

**2. Addenda to 52.212-4(d) Disputes.** A dispute arising between the contractor and any authorized DoD/VA Pharmaceutical Prime Vendor (PPV) does not give rise to a “claim” under the Disputes Clause at FAR 52.233-1.

**3. Addenda to 52.212-4(g) Invoice and (i) Payment.** The contractor shall invoice and arrange payment for all services through the applicable PPV unless otherwise approved by the Contracting Officer. This transaction is a business matter between the Pharmaceutical Prime Vendor and the Contractor and does not involve the DSCP or VA invoicing and payment systems. **NOTE:** For the Defense Depots, direct billing will be accomplished through the appropriate Defense Finance and Accounting Office identified in block 18a of the SF1449.

**4. Effective Date/Transitional Period of Contract.** The contract period is for a fifteen month base year and three additional fifteen-month option periods that may be exercised at the discretion of the Contracting Officer. The effective date of this contract is the date of award through 15 months thereafter. After the effective date, a short phase-in period may be needed to transition facilities over to the awarded contract. The contractor is responsible for establishing a business relationship with the PPVs listed in Attachment II. A prime vendor is a business concern that functions as a purchaser's primary source for a specified class of products. For the DoD, a secondary prime vendor has been established but will only fill orders that cannot be filled by the primary.

**5. Ordering Facilities.** A contracting officer's representative (COR) will be designated in writing for each of the returning facilities and the Contractor will receive a copy of the written designation after an award has been made. The Government reserves the right to add or delete ordering facilities of agencies that are current DoD/DSCP Prime Vendor customers during the effective period of this contract. These Government agencies are DoD, including the Uniformed Services Family Healthcare Providers (USFHPs), the Department of Transportation, and the Public Health Service. Government pharmacies of agencies that are not current DoD Prime Vendor customers may be added to this contract upon mutual agreement between DSCP and the Contractor. Additionally, other Government agencies (OGAs) serviced by the VA PPV such as Health and Human Services (HHS), Immigration and Naturalization Services (INS) and state veteran homes with sharing agreements, may be added to the contract upon mutual agreement.

**6. Contractor Performance Reporting.** In accordance with FAR 42.1502 and 42.1503, the Government will be evaluating the contractor's record of conforming to contract requirements, including the administrative aspects of performance; adhering to contract schedules; the contractor's reputation for reasonable and cooperative behavior and commitment to customer satisfaction; and, generally the contractor's reputation for demonstrating a business-like concern for the interests of its customers.

**ADDENDUM TO 52.212-4 (continued)**

**7. FAR 52.252-2 CONTRACT CLAUSES INCORPORATED BY REFERENCE**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text:

<u>CLAUSE NUMBER DATE</u>	<u>TITLE</u>	
52.216-18	<b>ORDERING</b> Orders may be issued from the <u>effective date of award</u> through 15 months <u>thereafter</u> .	OCT. 1995
52.216-22 1995	<b>INDEFINITE QUANTITY</b> The Contractor shall not be required to accept any orders under the terms of this contract after <u>the expiration date of the contract</u> .	OCT
52.217-9 1999	<b>OPTION TO EXTEND THE TERM OF THE CONTRACT</b> Written notice within <u>30 days</u> . Preliminary notice within <u>60 days</u> . Total duration of contract including exercise of any option shall not exceed <u>15 months</u> .	NOV
252.201-7000 1991	<b>CONTRACTING OFFICER'S REPRESENTATIVE</b>	DEC
252.204-7004 2000	<b>REQUIRED CENTRAL CONTRACTOR REGISTRATION</b>	MAR

**8. THE FOLLOWING CLAUSE IS INCORPORATED IN FULL TEXT:**

**52.252-9P11 EFFECTIVE DATE OF UNDATED REGULATORY PROVISIONS AND CLAUSES  
(AUG 1996) DSCP**

The effective date of any undated regulatory provision or clause applicable to this solicitation shall be the date of the provision/clause in effect at the time of solicitation issuance, as published in either the Federal Acquisition Regulation (FAR) or the Defense FAR Supplement (DFARS), unless otherwise specified.

**52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO  
IMPLEMENT STATUTES OR EXECUTIVE ORDERS --  
COMMERCIAL ITEMS (FEB 2000)**

(a) The Contractor agrees to comply with the following FAR clauses, which are incorporated in this contract by reference, to implement provisions of law or executive orders applicable to acquisitions of commercial items:

- (1) 52.222-3, Convict Labor (E.O.11755); and
- (2) 52.225-13, Restrictions on Certain Foreign Purchases (E.O.'s 12722, 12724, 13059, and 13067).
- (3) 52.233-3, Protest after Award (31 U.S.C 3553).

(b) The Contractor agrees to comply with the FAR clauses in this paragraph (b) which the contracting officer has indicated as being incorporated in this contract by reference to implement provisions of law or executive orders applicable to acquisitions of commercial items or components:

- (1) 52.203-6, Restrictions on Subcontractor Sales to the Government, with Alternate I (41 U.S.C.253g and 10 U.S.C.2402).
- (2) 52.219-3, Notice of HUBZone Small Business Set-Aside (Jan 1999).
- (3) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (Jan 1999) (if the offeror elects to waive the preference, it shall so indicate in its offer).
- (4)
  - (i) 52.219-5, Very Small Business Set-Aside (pub. L. 103-403, section 304, Small Business Reauthorization and Amendments Act of 1994).
  - (ii) Alternate I to 52.219-5.
  - (iii) Alternate II to 52.219-5.
- (5) 52.219-8, Utilization of Small Business Concerns (15 U.S.C. 637 (d)(2) and (3)).
- (6) 52.219-9, Small Business Subcontracting Plan (15 U.S.C. 637 (d)(4)).
  - (i) Alternate I to 52.219-9
  - (ii) Alternate II to 52.219-9
- (7) 52.219-14, Limitations on Subcontracting (15 U.S.C.637(a)(14)).
- (8) (i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).
  - (ii) Alternate I of 52.219-23.
- (9) 52.219-25, Small Disadvantaged Business Participation Program-Disadvantaged Status and Reporting (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- (10) 52.219-26, Small Disadvantaged Business Participation Program-Incentive Subcontracting (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- (11) 52.222-21, Prohibition of Segregated Facilities (Feb 1999).
- (12) 52.222-26, Equal Opportunity (E.O.11246)
- (13) 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (38 U.S.C.4212).

**52.212-5 (continued)**

- (14) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C.793).  
 (15) 52.222-37, Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (38 U.S.C.4212).

*Paragraphs (16) through (21) are not applicable and have been deleted.*

- \_\_\_ (22) 52.232-33, Payment by Electronic Funds Transfer-Central Contractor Registration (31 U.S.C. 3332).  
\_\_\_ (23) 52.232-34, Payment by Electronic Funds Transfer-Other Than Central Contractor Registration (31 U.S.C. 3332).  
\_\_\_ (24) 52.232-36, Payment by Third Party (31 U.S.C. 3332).  
\_\_\_ (25) 52.239-1, Privacy or Security Safeguards (5 U.S.C.552a).  
\_\_\_ (26) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (46 U.S.C.1241).

*Paragraph (c) is not applicable and has been deleted.*

(d) *Comptroller General Examination of Record.* The Contractor agrees to comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records -- Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

**52.212-5 (continued)**

(e) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c) or (d) of this clause, the Contractor is not required to include any FAR clause, other than those listed below (and as may be required by an addenda to this paragraph to establish the reasonableness of prices under Part 15), in a subcontract for commercial items or commercial components --

- (1) 52.222-26, Equal Opportunity (E.O.11246);
- (2) 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (38 U.S.C.4212);
- (3) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C.793); and
- (4) 52.247-64, Preference for Privately-Owned U.S.- Flag Commercial Vessels (46 U.S.C.1241) (flow down not required for subcontracts awarded beginning May 1, 1996).

<b>ADDENDUM TO 52.212-5</b>
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**252.212-7001 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS APPLICABLE TO DEFENSE ACQUISITIONS OF COMMERCIAL ITEMS (MAR 2000) DFARS [DSCP MODIFIED]**

(a) The Contractor agrees to comply with any clause that is checked on the following list of DFARS clauses which, if checked, is included in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items or components.

- \_\_\_\_ 252.205-7000 Provision of Information to Cooperative Agreement Holders (10 U.S.C. 2416).
- \_\_\_\_ 252.206-7000 Domestic Source Restriction (10 U.S.C. 2304).
- \_\_\_\_ 252.219-7003 Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DoD Contracts) (15 U.S.C. 637).
- \_\_\_\_ 252.225-7001 Buy American Act and Balance of Payments Program (41 U.S.C. 10a-10d, E.O. 10582).
- \_\_\_\_ 252.225-7007 Buy American Act-Trade Agreements--Balance of Payments Program (41 U.S.C. 10a-10d, 19 U.S.C. 2501-2518, and 19 U.S.C. 3301 note).
- \_\_\_\_ 252.225-7012 Preference for Certain Domestic Commodities.
- \_\_\_\_ 252.225-7014 Preference for Domestic Specialty Metals (10 U.S.C. 2241 note).
- \_\_\_\_ 252.225-7015 Preference for Domestic Hand or Measuring Tools (10 U.S.C. 2241 note).
- \_\_\_\_ 252.225-7021 Trade Agreements (19 U.S.C. 2501-2518 and 19 U.S.C. 3301 note).
- \_\_\_\_ 252.225-7027 Restriction on Contingent Fees for Foreign Military Sales (22 U.S.C. 2779). *Para (b): Government(s) of \_\_\_\_\_*
- \_\_\_\_ 252.225-7028 Exclusionary Policies and Practices of Foreign Governments (22 U.S.C. 2755).
- \_\_\_\_ 252.225-7029 Preference for United States or Canadian Air Circuit Breakers (10 U.S.C. 2534(a)(3)).
- \_\_\_\_ 252.225-7036 Buy American Act--North American Free Trade Agreement Implementation Act--Balance of Payments Program (\_\_\_\_ Alternate I) (41 U.S.C. 10a-10d and 19 U.S.C. 3301 note).
- \_\_\_\_ 252.227-7015 Technical Data--Commercial Items (10 U.S.C. 2320).
- \_\_\_\_ 252.227-7037 Validation of Restrictive Markings on Technical Data (10 U.S.C. 2321).
- 252.243-7002 Requests for Equitable Adjustment (10 U.S.C. 2410).
- \_\_\_\_ 252.247-7023 Transportation of Supplies by Sea (\_\_\_\_ Alternate I) (\_\_\_\_ Alternate II) (10 U.S.C. 2631)
- \_\_\_\_ 252.247-7024 Notification of Transportation of Supplies by Sea (10 U.S.C. 2631).

**NOTE: Contractor agrees to comply with clause 252.247-7024, which is included in this contract by reference, when it represents in its offer that it does not anticipate that supplies will be transported by sea.**

**ADDENDUM TO 52.212-5**  
**DFARS 252.212-7001 (continued)**

(b) In addition to the clauses listed in paragraph (e) of the Contract Terms and Conditions Required to Implement Statutes or Executive Orders--Commercial Items clause of this contract (Federal Acquisition Regulation 52.212-5), the Contractor shall include the terms of the following clauses, if applicable, in subcontracts for commercial items or commercial components, awarded at any tier under this contract:

252.225-7014 This clause is not applicable and has been deleted.

252.247-7023 Transportation of Supplies by Sea (10 U.S.C. 2631)

252.247-7024 Notification of Transportation of Supplies by Sea (10 U.S.C. 2631)

**ATTACHMENT I****STATEMENT OF WORK****DEPARTMENT OF DEFENSE (DoD) AND DEPARTMENT OF VETERANS AFFAIRS  
(DVA)  
JOINT CONTRACTING INITIATIVE  
PHARMACEUTICAL RETURNS MANAGEMENT PROGRAM**

- 1. GENERAL.** The purpose of this joint initiative is to establish a contract with a reverse distributor, hereafter referred to as the Contractor, capable of assisting the DoD and VA pharmacies and drug distribution centers (includes two Defense Depots) in achieving maximum credit return, while remaining in compliance with all applicable regulations related to hazardous waste handling. The Government's need for an off-site processing function is imperative to assure optimum inventory control and to minimize regulatory risk, especially in the area of waste disposal. The Government is confident that an efficient returns good processing method where outdates are shipped to a centralized reverse distributor will reduce total cost in the healthcare system and assure that the public is fully protected. Returns to be processed will cover DoD and VA medical facilities in the United States (includes Puerto Rico, Guam & U.S. Virgin Islands), overseas U.S. military bases (Europe and Pacific Rim), and VA facilities in the Philippines. Returns from overseas customers **will not** include Schedule II-V controlled substances. Recognizing that some facilities may prepare their returns on a quarterly basis, the Government anticipates the need for a minimum of ninety (90) days to transition facilities over to the prospective contract. A post award conference will be scheduled with the prospective Contractor for the purpose of coordinating an implementation plan and developing a marketing strategy relating to the promotion of the Pharmaceutical Returns Management Program.
- 2. REGULATORY COMPLIANCE.** The Contractor will be required to provide all plant, equipment, materials, and labor needed to process credit return and/or arrange for proper disposal of designated pharmaceuticals, including Schedule drugs II, III, IV and V. The Contractor is responsible for complying with all applicable federal regulations such as the Code of Federal Regulation (CFR) Title 21 Food & Drugs, Title 29 Hazardous Materials, Title 40 Protection of the Environment, Title 49 Department of Transportation; U.S. Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA), Food and Drug Administration (FDA), Drug Enforcement Administration (DEA), and Department of Defense (DoD) regulations. The Contractor must also consult applicable state regulations and the regional office of the federal regulatory agency that has jurisdiction over their operation to assure compliance. Accordingly, the Contractor must arrange for, recommend, and/or advise the returning drug distribution point of the proper means of transporting the returned products to the Contractor's central processing facility. The DoD and DVA endorses the Guidelines for Reverse Distributors: Minimum Federal Regulatory Standards (Nov 1999 Edition) approved by the Returns Industry Association as the accepted standard of practice for reverse distributors with respect to regulatory compliance. A copy may be requested from the Contracting Officer.

- 3. LICENSES, PERMITS, REGISTRATION, INSURANCE.** All necessary permits and licenses required by Federal, State, and Local authorities must be acquired and maintained by the Contractor for the life of the contract. This includes any required permits and licenses for interstate transport, and storage/disposal of both hazardous and non-hazardous unserviceable items or returns. The Contractor must be a licensed DEA registrant to handle controlled substances Schedule II - V. A copy of all renewals will be forwarded to the DSCP contracting officer for retention in the contract file. The Contractor must have proper insurance coverage, including environmental remediation and be prepared to list the DoD/DVA as additional insured if awarded the contract.
- 4. SHIPPING/PROCESSING ARRANGEMENTS.** The returning facility will contact the Contractor directly to arrange for a return shipping date. The Contractor will provide all instructions, applicable forms, labels and DEA approved tamper-proof pouches needed to ship the designated items to a Contractor's central processing facility. Returning facilities will make the determination of whether they want to have a reverse distributor work onsite to inventory all pharmaceuticals and prepare their outdated products for shipment to the reverse distribution facility for processing. If this service is desired, the Contractor is to provide on-site servicing within a reasonable period of time after the facility requests it (preferably within ten (10) business days ). The Contractor **will not** separate returnable from non-returnable pharmaceuticals onsite. The Contractor is responsible for the cost of the shipment from the returning facility, with the exception of overseas shipments utilizing military transportation to the United States. Returns from Alaska or Hawaii -- Government will ship designated items to the Contractor's central processing facility and will be reimbursed at the United Parcel Service rate from Seattle, Washington or Los Angeles, CA to the central processing facility. Within 30 days of receipt of the returned goods, the Contractor will process all designated items by sorting, inventorying, and processing items which either qualify for a manufacturer's credit program/item replacement, or for destruction in accordance with all applicable federal, state and local regulations.
- 5. ITEMS QUALIFYING FOR MANUFACTURER'S RETURN.** When possible, the Contractor should obtain and complete all manufacturers' return authorization forms. If it is the manufacturer's policy to send these forms directly to the returning facility, the Contractor will be responsible for ensuring that the required forms are provided to the return facility in a timely manner. The returning facility in turn will forward the return authorization forms to the Contractor. The manufacturer's Estimated Return Value (ERV) is to be based on the VA's current purchase price as provided in the file named PRICES.EXE published on the web site maintained by VA Pharmacy Benefits Management. The file is a dBase III compatible database (.DBF) file and is updated on a daily basis. The web site address is <http://www.dppm.med.va.gov/PBM/prices.htm>.

To determine the appropriate price to establish the ERV, the following order of precedence shall be used:

- NC PRICE
- BPA PRICE
- VA FSS
- BIG4 PRICE
- FSS PRICE

For the VA use NC PRICE to establish the ERV; if not available, use BPA PRICE; if not available use VA FSS, etc.

For DoD, use NC PRICE to establish the ERV; if not available, use BIG4 PRICE; if not available, use FSS PRICE.

If an item does not appear in the database, then the contractor shall use the Average Wholesale Price minus 15% as the basis for establishing an estimated return value for that item.

**NOTE:** There may be instances where more favorable return good policies have been negotiated on Federal contracts. In order to take advantage of more favorable return policies, it will be the Government's responsibility to provide a copy of the negotiated agreement(s) to the Contractor.

The Contractor is encouraged to establish a working relationship with each returning facility COR to insure maximum credit receipt. The Contractor is responsible for contacting the manufacturer to assist in resolving issues of inadequate or non-payment of outstanding credits. Credit may be issued in the form of credit memo (preferred method), exchange one for one, or exchange for other items of equal value. Product replacement or exchange is DoD and VA's least desired method of reimbursement. Credit memos are to be issued through the returning facilities' respective Prime Vendor and must make reference to the customer account number and/or appropriate invoice number to facilitate the tracking process. If a manufacturer will not provide credit to a facility's PV account, or product exchange, then a check would be accepted. The check should be made payable to the Treasurer of the United States when a DoD customer initiated the return and to the respective VA Medical Center when a VA customer initiated the return.

**6. ITEMS WHICH DO NOT QUALIFY FOR RETURN TO MANUFACTURER** - The contractor will list those items for disposal separately on a disposal manifest. This list will include at a minimum, the contract number, product name, NDC or catalog number, quantity, total estimated return value, and reason for non-eligibility for credit. Separate manifests will be provided for the disposal of controlled drugs (Schedule II-V's) and when disposing of hazardous waste products as defined by the EPA Resource Conservation and Recovery Act (RCRA) regulations. A Certificate of Destruction including the disposal date, method of destruction, location of destruction, name of the disposal company and proof of destruction affidavit will be provided to the returning facility upon completion of destruction.

All Manifests will be provided to the returning facility COR within 30 calendar days of Contractor's receipt of the items, with the exception of the Certificate of Destruction/ Affidavit which will be provided within 30 days of the completion of destruction. Shipments to the Contractor that require transport to the disposal location must be done via an approved and licensed vehicle in accordance with federal, state, and local laws and regulations where processing will be completed. Contractor spills or releases of toxic/hazardous substances into the environment will be reported to the COR immediately if it occurs during an on-site service visit. The DSCP Contracting Officer will also be advised of the occurrence, in writing, within a reasonable time period thereafter.

- 7. **REPORTS.** The Contractor is to provide a return detail report by manufacturer to the returning facility COR within 30 calendar days after processing for all credit returns. This report should include as a minimum, the contract number and applicable order or invoice number, product name, national drug code (NDC) or catalog number, lot or batch number, quantity, and estimated return value. Provide separate reports for Scheduled (controlled) drugs and for hazardous pharmaceutical waste. Chain of custody paperwork will be prepared and given to the facility COR at the time the package(s) are prepared for shipment if the contractor provides on-site servicing.

A monthly status report of credit receipts listing the contract/order or invoice number, manufacturer, estimated return value, actual return value, and pending credits will be submitted to the returning facility by the Contractor. Each facility's designated COR will cooperate in providing the Contractor with monthly updates of credits received through their respective Prime Vendor. Monthly reconciliation reports will be provided for all accounts individually and a role up will be provided to the DSCP Contracting Officer which will show as a minimum the ERV for non-credits (destruction), charges for services, credits received, and credits pending.

**8. FEDERAL GOVERNMENT HOLIDAYS**

The following information is provided to assist the Contractor in scheduling returns when on-site service is required:

New Year's Day	January 1
Martin Luther King's Birthday	3 <sup>rd</sup> Monday in January
President's Day	3 <sup>rd</sup> Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1 <sup>st</sup> Monday in September
Columbus Day	2 <sup>nd</sup> Monday in October
Veterans Day	November 11
Thanksgiving Day	4 <sup>th</sup> Thursday in November
Christmas Day	December 25

**ATTACHMENT II**

**Pharmaceutical Prime Vendors**

The following list represents the current PPVs as of the date of this contract, however some of these contractors may change within the contract period due to renewal of prime vendor contracts. The Contractor will be given sufficient notice when such changes take place.

**1. Bergen Brunswick Drug Co., Inc.**

9900 J.E.B. Stuart Parkway  
Glen Allen, VA 23060

Point of Contact: Mr. Larry E. Stepp  
Phone: 804-264-4141  
Fax # 804-553-1040

**4. McKesson Health Care Systems, Inc.**

1220 Senlac Drive  
Carrolton, TX 75006

Point of Contact: Mr. Paul Flach  
Phone: 972-446-4947  
Fax # 972-446-5337

**2. Dakota Drug Co., Inc.**

28-32 N. Main Street  
Minot, ND 58701

Point of Contact: Mr. Ted Scherr  
Phone: 800-437-2018 X112  
Fax # 701-857-1134

**5. Amerisource, Inc. (DoD and VA)**

1300 Morris Dr.  
Chesterbrook, PA 19087

Point of Contact: Mr. Kent Rischar  
Phone: 610-727-7000

**3. Bindley Western Drug Co., Inc.**

12 Appaloosa Trail  
Holland, PA 18966

Point of Contact: Theo Wilson  
Phone: 215-579-3296  
Fax # 215-579-3465

**6. Cardinal Health Inc.**

7000 Cardinal Place  
Dublin, OH 43017

*(Note: DoD's Secondary Prime Vendor)*

Point of Contact: Mr. Eric Sutherland  
Phone: 800-627-6666 X3239